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IN THE

Supreme Court of the United States

OCTOBER TERM, 1969

No. 1423

KRYSTINEL CORPORATION,
Petitioner,

vs.

INDIANA GENERAL CORPORATION,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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May 11, 1970.

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

IN THE

Supreme Court of the United States

OCTOBER TERM, 1969

No. 1423.

KRYSTINEL CORPORATION,

Petitioner,

vs.

INDIANA GENERAL CORPORATION,

Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION.

STATEMENT OF THE CASE.

Petitioner seeks a Writ of Certiorari for the purpose of obtaining review in this Court of the District Court's refusal to award attorneys' fees and review of the Second Circuit Court of Appeal's affirmance of such refusal. Petitioner sought attorneys' fees following the trial in the District Court. Decision was rendered, the District Court explicitly finding no evidence of bad faith on the part of Respondent (Appendix F to Petition, page 59a). Appropriate motions were made in the District Court under Federal Rule of Civil Procedure 52(b) to amend findings and to change the Court's decision as to the award of attorneys' fees. The District Court again refused specifically to grant attorneys' fees (Appendix H to Petition, pages 64a and 65a).

Petitioner cross-appealed from the denial of attorney's fees (Appendix I to Petition, page 68a). The matter was orally argued before the Court of Appeals before Circuit Judges Medina, Moore and Feinberg. The Opinion was written by Circuit Judge Medina, who found no abuse of discretion by the District Court (Appendix K to Petition, pages 89a to 91a).

ARGUMENT.

The Petition should be denied because it seeks merely to obtain a second review of concurrent conclusions by the District Court and the Court of Appeals below. Petitioner alleges an error in both decisions below, but this is not a reason under this Court's Rule 19(1)(b) which should compel the granting of the Writ.

There Is No Important Question of Federal Law.

Title 35, United States Code, Section 285 provides for the exercise of discretion by a trial court in awarding attorneys' fees to a prevailing party. The district courts are not without adequate guidelines from the various courts of appeals for exercising this discretion.

The District Court below found no bad faith as a reason for not awarding attorneys' fees, citing *Formal Fashions, Inc.* v. *Braiman Bows, Inc.*, 254 F. Supp. 389, 395, affirmed 369 F. 2d 536 (C. A. 2, 1966) (Appendix F to Petition, page 59a). The cited Second Circuit case in turn relied upon decisions of the Third and Ninth Circuits, namely, *AMP Incorporated* v. *Burndy Corporation*, 332 F. 2d 236 (C. A. 3, 1964), affirming a lower court's exercise of discretion refusing to award attorneys' fees because there was no unfair or unreasonably vexatious conduct by the losing party; and *Park-In-Theatres* v. *Perkins*, 190 F. 2d 137 (C. A. 9, 1951), which stated at 142:

> "The exercise of discretion in favor of such an allowance should be bottomed upon a finding of unfairness or bad faith in the conduct of the losing party, or some other equitable consideration of similar force, which makes it grossly unjust that the winner of the particular law suit be left to bear the burden of his own counsel fees which prevailing litigants normally bear."

Following the above quote were cited cases from the Fourth, Fifth, Sixth and Seventh Circuits, as follows:

Fourth Circuit—

Phillips Petroleum Co. v. *Esso Standard Oil Co.*, 185 F. 2d 672 (1950)

Seventh Circuit—

Associated Plastics Co. v. *Gits Molding Corp.*, 182 F. 2d 1000 (1950)

Fifth Circuit—

Hall v. *Keller*, 180 F. 2d 753 (1950)

Sixth Circuit—

Lincoln Electric Co. v. *Linde Air Products Co.*, 171 F. 2d 223 (1948).

The courts of appeals have sufficiently guided the trial courts in exercising the discretion contained in the statute, 35 U. S. C. § 285. There is no important question of federal law involved in the Petition.

There Is No Conflict Between the Circuits.

On page 6 of the Petition, there is recited what purports to be findings made by the District Court of four enumerated respects of misconduct. These are but the contentions of Petitioner. They are paraphrased from the District Court's Memorandum, filed in response to Rule 52(b) motions. In that Memorandum, the District Court clearly

labeled the four matters as contentions of Petitioner (Appendix H to Petition, page 64a). Following the list, the District Court said that a discussion with regard to these specific issues of fact was not necessary to the principal determination therein (Appendix H to Petition, page 64a). The District Court went on, refusing to award attorneys' fees (Appendix H to Petition, page 65a).

As to the four contentions, none were proved. Referring to page 6 of the Petition, the first contention is that the patent's claimed components did not possess utility at the upper range of frequencies. All that Petitioner proved was that certain commercial compounds had utility in a lower part of the range. There was no proof that other patented compounds did not fully satisfy the range of utility.

The second contention is that public use was concealed. The reference is to Respondent's own production and sales under the patent in suit, all within one year of the first filed patent application in the United States Patent Office. There was no public use affecting the validity of the patent.

The third contention is an alleged failure to disclose a former commercial product which was a failure and was replaced by a product under the patent in suit. The constituents of the former failure were disclosed in a prior patent, No. 2,700,023, to one Albers-Schoenberg, cited by the Patent Examiner (Page 22, printed Record Appendix in C. A. 2).

The fourth contention is labeled a concealment of best mode and refers to the recipe of the first commercial composition produced under the patent in suit by Respondent. Petitioner contended in the District Court that this recipe should have been among the examples of compositions set out in the patent specification. There is no statutory requirement that a compound which turns out to be successful commercially, must have been given as one of the

examples in a patent disclosure covering a range within which such compound falls, in order for that patent to be valid. The evidence showed clearly that the compound in question fell within the patent disclosure.

Not one of the contentions of Petitioner were accepted by the District Court as proved. There was no conduct by Respondent to cause either of the Courts below to award attorneys' fees.

The *Monolith Portland Midwest Co.* v. *Kaiser Aluminum & Chemical Corp.* case, 407 F. 2d 288 (C. A. 9, 1969) is in contrast to the present case rather than in conflict with it. The bad faith in *Monolith* consisted of affirmative acts by the applicant for patent. These acts included the filing of three affidavits by the applicant in which material facts were misrepresented and upon which the administrative agency of the Patent Office relied, and a further affidavit supposedly from a disinterested party for whom the facts presented had been ghostwritten by the applicant and not intended to be stated by the affiant. These affirmative presentations of misinformation on which the Patent Office relied made the case "exceptional", justifying an award of attorneys' fees by the trial court, affirmed by the Court of Appeals.

In the instant factual situation, there are no affirmative acts, either alleged by Petitioner nor committed by Respondent. The Court of Appeals for the Second Circuit's decision herein is not in conflict with that of the Ninth circuit. There is no conflict in principle of application of Federal Law.

CONCLUSION.

Petitioner gives no reasons which properly conform with the reasons set forth in Supreme Court Rule 19(1)(b) for the granting of a Petition for Certiorari. The Petition should be denied.

Respectfully submitted,

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